

**A Study on Bank Customers' Perception of Internet Banking in
Manmunai North (MN) Divisional Secretarial (D.S) of Batticaloa:
From the Non-Users' Perspectives.**

Dept of Management
Faculty of Commerce &
Management

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Sri Lanka.

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**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

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Abstract

Information technology is fundamentally changing the Banking industry worldwide. Nowadays in Sri Lanka, the competition among bank is high and it leads bank to provide various channels. Internet Banking (IB) is one of the channels and consumer use of IB is still limited. Therefore, this research was conducted among bank customer perception of IB from non user perspective.

The objective one of this study is to identify why bank customers are reluctant to use IB in MN D.S of Batticaloa even though they have Internet accessing and basic knowledge about IB. The second objective of this study is to identify the factors which are determining the non-usage of IB in MN D.S of Batticaloa even though they have Internet accessing and basic knowledge about IB.

In order to achieve the first objective of this study, data were collected from eighteen bank customers and four bank officers from MN D.S by using interview method and in order to achieve the second objective of this study, data were collected from 150 bank customers who are not using IB through questionnaire.

According to the objective one, expressed certain reasons for non-usage of IB. Such as high cost, security problem, less awareness about IB, less knowledge about IB, no needs, lack of IB related technical knowledge and able to do Banking transactions through some body at bank branches. According to the second objective, factor analysis results indicate that bank customer's perception towards IB (negative perception), position of branch banking (BB) in the customer's mind (strong position of BB), technical and transactional difficulties, banks interest towards IB (less interest toward IB), cost (customer view IB as a costly one), customer's knowledge of IB (less technical and operational knowledge towards IB), substitute for IB (more substitute for IB), nuisance (some form of inconvenience), and banking through others (as a strong practices among customers) are major factors which are contributing to non usage of IB in MN D.S of Batticaloa.

Key words: Internet Banking (IB), Branch Banking (BB), Internet Banking non user.

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